

2008: B14

MEMORANDUM TO: Directors of Education
Secretary/Treasurers of School Authorities

FROM: Nancy Naylor
Assistant Deputy Minister

Dominic Giroux
Assistant Deputy Minister

DATE: December 1, 2008

SUBJECT: **Implementing Four-year Labour Agreements – 2008–09
and Future Years and Other Regulatory Amendments**

We are writing to provide you with an update on the regulatory changes that have been made to implement four-year labour agreements. This memorandum supplements the information provided in the August 18 memorandum, **2008: B10 – Funding enhancements for peace and progress in education – 2008-09 and future years**, which addressed amendments to the Grants for Student Needs (GSN) regulations to flow increased funding to school boards to recognize a 2% increase to salary benchmarks for staff employed in the education sector.

At the time, with Cabinet approval, the Ministry also released a draft regulation which, once approved by the Lieutenant Governor in Council, would implement a variety of enhancements to support the four-year labour agreements developed through the Provincial Discussion Tables (PDTs). Memorandum, **2008:B10** indicated that we would be seeking approval of the regulation so that it could be filed on December 1, 2008.

We are pleased to advise you that a regulation to amend *Grants for Student Needs – Legislative Grants for the 2008-2009 School Board Fiscal Year [O. Reg. 85/08]* has been filed today. With five minor variances, this promulgates the draft regulation that was released in August 2008. This regulation will serve as the regulatory vehicle to implement the first year of the four-year labour agreements.

We are also writing to advise you of the board-by-board allocations for the Urban and Priority High Schools component of the Safe Schools Supplement, announced on March 26, 2008 (**2008: B2 – Education Funding for 2008–09**), as well as the content of several technical amendments.

A. OVERVIEW – VARIANCE FROM THE DRAFT REGULATION

The five minor variances that are discussed below were based on decisions and agreements reached with the education sector since the draft regulation was released in August.

Updating the table listing parties to PDT agreements

Over the past three months, additional parties have reached PDT agreements. In addition to the parties listed in the August draft regulation, the filed regulation now includes OSSTF support workers and trustee associations (agreement reached on September 12, 2008), OSSTF teachers and OPSBA (agreement reached on November 27, 2008), as well as seven unions that have signed on to the May 14, 2008, multi-union agreement.

Determining the deadline for ratifying collective agreements

According to the draft regulation, a bargaining unit and a school board were required to have ratified a new collective agreement in full compliance with the appropriate PDT agreement by November 30, 2008, in order for the school board to be fully eligible for enhanced funding under the terms of the PDT. This requirement has been modified in the regulation so that the deadline for ratification of collective agreements is mutually agreed to by the parties (i.e., the teacher federation or union and the appropriate trustee association).

The requirement that a union must have signed a PDT agreement with trustee associations by November 30 stands. All unionized employees within Ontario's school boards belong to a union that has signed a PDT agreement by November 30, except for elementary teachers represented by ETFO. However, the government is currently facilitating discussions between OPSBA and ETFO, who have jointly requested a five day extension from the government. It is our hope that over the next few days the parties will reach a PDT agreement, at which time the Ministry would seek Cabinet approval to make appropriate amendments to the regulations.

Removing the "multi-unit" requirement

Originally, all bargaining units of the same union that signed the same PDT agreement within a board were required to have ratified collective agreements by November 30 for the board to qualify for the full funding enhancements. In October 2008, at the request of both the unions and the boards, the government modified this policy, so that a board could qualify for full funding on a bargaining-unit-by-bargaining-unit basis. This decision was communicated to boards by memorandum on October 9. This change is now reflected in regulation. As a result, once a bargaining unit has ratified a PDT-compliant local agreement by the date agreed to by the union and the trustee association, the board will receive the PDT funding enhancements for that particular bargaining unit, even if other bargaining units of that same union do not have compliant collective agreements.

Adding “represented by a bargaining agent certified or voluntarily” to Section 57.2(3)

All the funding enhancements should flow to a board unless a bargaining unit is not PDT compliant. As a result, non-unionized staff are deemed “automatically compliant.” The clarification in the regulation noted above ensures that boards that have non-unionized support workers will be eligible for the full funding enhancements. This was the government’s policy direction at the time the draft regulation was released.

While boards will not see their funding enhancements reduced because they have non-unionized staff, members of bargaining units that ratify PDT compliant collective agreements have entitlements that non-unionized staff do not, such as guaranteed salary increases, guaranteed improvements of benefits and staffing, and participation in joint problem-solving mechanisms.

Adding “office staff” as an employee group that can trigger enhanced supervision support

According to the draft regulation, where a bargaining unit representing elementary teachers did not comply with a PDT agreement, the board could still receive the supervision enhancement if the board’s educational assistants had complied with a PDT agreement.

This provision has been changed so that, under the filed regulation, even if the elementary teachers and educational assistants did not comply with a PDT agreement, the board would still receive the supervision enhancement if its school office support staff were compliant. The sector was informed of this change on September 12, 2008.

B. URBAN AND PRIORITY HIGH SCHOOLS

As part of the March 26, 2008, GSN release, the government announced that \$10M in new funding would be provided in 2008–09 and future years for additional supports to selected secondary schools in urban neighbourhoods that are struggling with safety and related issues. This new component is a further example of the government’s commitment to provide additional help for these urban school communities.

The Urban and Priority High Schools component is to be used for in-school supports and the development of resources targeted to students and their families. At the time of the release, we advised boards that this new funding would remain unallocated pending the development of an application and selection process.

Eligible school boards submitted applications for programs that they proposed to initiate in selected high schools. These applications have been reviewed by the Ministry and board-by-board allocations for this initiative have been determined and are attached as Appendix A, which is referenced as Table 8 in the amended GSN regulations.

The Ministry will be working with selected boards to help guide the implementation at the school level. Further information on the implementation requirements for this important initiative will be provided to boards in the near future.

C. OVERVIEW – TECHNICAL AMENDMENTS

Calculation of fees

The Calculation of Fees for Pupils for the 2008–09 School Board Fiscal Year – (O. Reg. 84/08) has been amended so that tuition fees charged to students who are out-of-province, or who are not pupils of the board, reflect the increases related to the implementation of the new labour framework agreements and the Urban and Priority High Schools.

Declining Enrolment Adjustment (DEA) – per-pupil amount adjustment

In the March 26 memorandum, **2008: B2 – Education Funding for 2008–09**, the government announced a \$10M increase to the Board Administration Component of the School Board Administration and Governance Grant, targeted to support boards with low enrolment. As a result of this additional support, all boards with an enrolment of less than 26,000 ADE were to receive a base amount of \$200,000 in addition to the current base amount of \$90,486.

An amendment has been made to the *Grants for Student Needs – Legislative Grants for the 2008-2009 School Board Fiscal Year [O. Reg. 85/08]*; Table 26: Per Pupil Exclusion for Declining Enrolment Adjustment to adjust DEA per-pupil amounts to reflect this increase.

Amendments to the Prohibitive to Repair tables

The Prohibitive to Repair (PTR) capital program provides boards with funding to support new construction to repair or replace schools in exceptionally poor condition. Since the release of the 2008–09 GSN in March, additional approvals have been granted under the PTR program.

The following tables have been amended to reflect the updated PTR approvals and to provide the Ministry with the regulatory authority to flow the additional funding to boards:

- *Grants for Student Needs – Legislative Grants for the 2008-2009 School Board Fiscal Year [O. Reg. 85/08]* Table 22 and 23: Schools for Which Cost of Repair Is Prohibitive; and
- *Grants for Student Needs – Legislative Grants for the 2007-2008 School Board Fiscal Year [O. Reg. 152/07]* Table 20 and 21: Schools for Which Cost of Repair Is Prohibitive.

Amendments to the Growth Schools tables

The Growth Schools capital program provides boards with funding for the construction of schools in areas of new residential development in cases where the board's New Pupil Places Allocation is not sufficient to support such activity.

Since the release of the 2008–09 GSN in March, additional approvals have been granted under the Growth Schools capital program.

The following tables have been amended to reflect the updated approvals for Growth Schools and to provide the Ministry with the regulatory authority to flow the additional funding to boards:

- *Grants for Student Needs – Legislative Grants for the 2008-2009 School Board Fiscal Year [O. Reg. 85/08] Table 19: Growth School Amount Eligible for Long-Term Financing 2008–09; and*
- *Grants for Student Needs – Legislative Grants for the 2007-2008 School Board Fiscal Year [O. Reg. 152/07] Table 17.1: Growth School Amount Eligible for Long-Term Financing 2007–08.*

Amendments to the French Capital Transitional Table

The 2006–07 GSN introduced funding support over a four-year period to provide \$220M in capital construction for French-language school boards that have enrolment needs in areas without permanent pupil accommodation. The 2008–09 school year is the third year of this four-year program.

Some amendments are required to the following tables to ensure the appropriate funding for approved French Capital Transitional is flowed to qualifying boards:

- *Grants for Student Needs – Legislative Grants for the 2008-2009 School Board Fiscal Year [O. Reg. 85/08] Table 21: Capital Transitional Adjustment 2;*
- *Grants for Student Needs – Legislative Grants for the 2007-2008 School Board Fiscal Year [O. Reg. 152/07] Table 18 and 19: Capital Transitional Adjustment 1 and 2; and*
- *Grants for Student Needs— Legislative Grants for the 2006-2007 School Board Fiscal Year [O. Reg. 341/06] Table 16 and 16.1: Capital Transitional Adjustment 1 and 2.*

Borrowing for permanent improvements

A technical amendment to section 12 (3) of O. Reg 466/97 – Borrowing for Permanent Improvements: Issuance of Debentures has been made to modify the terms of debentures with the Ontario Financing Authority (OFA). This change provides flexibility to boards to long-term finance their projects with the OFA for a period of 25 years or less.

The term was originally set at 25 years for borrowing through the OFA for programs funded under the Good Places to Learn (GPL) initiative such as GPL renewal, Growth Schools, PTR, and French Capital Transitional funding to mirror the cash flow treatment for these programs. However, OFA financing is now being extended to projects that are funded through the New Pupil Places (NPP) allocation. School boards that are refinancing their NPP-related debt, or have had non-permanently financed debt for several years, require terms of less than 25 years to match their remaining revenues.

D. CASH FLOW

As noted in the August 18 memorandum, **2008: B10**, the monthly cash flow to school boards for the months from September to December 2008, has been adjusted as follows, to provide flexibility to all school boards as collective bargaining was proceeding:

Month	Percentage
September	13.2%
October	8.4%
November	8.4%
December	8.5%

This increased cash flow in the first four months of the school year will now be balanced by corresponding decreases in the cash flow for the months January to March 2009:

Month	Percentage
January	8.1%
February	8.1%
March	8.3%

The net result will be that, at the end of March 2009, boards will have received the same total cash flow of 63% as in previous years.

This adjusted cash flow applies to the 2008–09 school year only and was intended to support boards that had concluded local agreements early in the school year that were consistent with the PDT framework.

Adjustments to entitlements – calculations

As was the case with the draft regulation, the filed regulation includes mechanisms to ensure that school boards receive only the enhancements for which they are eligible. Adjustments in the form of reductions against the enhanced funding entitlement will apply if a school board does not meet the conditions for eligibility set out in the regulation.

Boards are required to prepare their Revised Estimates for 2008–09 based on the following considerations:

- English-language Public Boards will calculate the reductions to their entitlements due to ETFO's current non-compliance, based on the adjustments detailed in memorandum **2008:B10**, as well as the instructions provided with the Revised Estimates; and
- Expenditure and revenue projections for all other employee groups will be based on the 3% salary benchmark increase, plus enhancements, as reflected in the PDT agreements.

Revised Estimates are to be submitted as originally planned by December 12, 2008, with boards assuming that local agreements will be reached by the deadline as set out in the PDT agreements.

The Ministry will adjust the revenue entitlement in February 2009, for any local agreement that was subsequently found to be non-compliant with the PDT agreement, and the Ministry may require the board to re-submit its Revised Estimates as a result.

Board approval of Revised Estimates

As noted in **2008: B10**, the expenditure information in the 2008–09 Revised Estimates will be of special importance, since it will reflect the implementation of the funding enhancements to support the PDT Agreements as well as board decisions about the use of this new funding. It is therefore recommended that a board's 2008–09 Revised Estimates be formally reviewed by the board's trustees.

E. SCHOOL AUTHORITIES

As in previous years, funding for School Authorities will be adjusted in 2008–09, 2009–10, 2010–11, 2011–12, and 2012–13, as appropriate, to reflect the changes to the GSN for district school boards described in this memorandum. The Ministry will provide further information concerning 2008–09 funding for School Authorities at a future date.

F. INFORMATION RESOURCES

Once Revised Estimates are received and reviewed, the Ministry will update the resource documents *Projections of School Board Funding for the 2008–09 School Year* and the *Technical Paper, 2008–09*. Once available, these updated documents will replace the versions released in August, 2008 which are currently available on the Ministry website www.edu.gov.on.ca.

If you require further information about school board funding in 2008–09, please contact:

Labour Framework and PDT Agreements	Dominic Giroux	(416) 325-2132 dominic.giroux@ontario.ca
	Margot Trevelyan	(416) 325-2836 margot.trevelyan@ontario.ca
Financial accountability and reporting requirements	Andrew Davis	(416) 327-9356 andrew.davis@ontario.ca
Pupil Accommodation Grant	Nancy Whynot	(416) 325-4030 nancy.whynot@ontario.ca
Other changes in the 2008–09 GSN	Didem Proulx	(416) 327-9060 didem.proulx@ontario.ca

The PDT Agreements and the local agreements reached across the province represent an extraordinary achievement for the education sector. These four-year agreements provide long-term stability in uncertain times, and will help us focus on improving student achievement, reducing achievement gaps, and addressing education barriers. As you know, energizing education in Ontario is also about building public confidence in our schools. The success of the PDT process has gone a considerable distance in building that confidence by clearly demonstrating to the public how a respectful partnership can deliver results that equally benefit students, teachers, non-teaching staff, and the education sector as a whole.



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Assistant Deputy Minister



Dominic Giroux
Assistant Deputy Minister

Attachment

Copy: Superintendents of Business and Finance

APPENDIX A/ANNEXE A
SAFE SCHOOLS ALLOCATION/ÉLÉMENT SÉCURITÉ DANS LES ÉCOLES

Item/Point	Column/Colonne 1	Column/Colonne 2	Column/Colonne 3	Column/Colonne 4
	Name of Board/Nom du conseil	Weighted Per-Pupil Amount for Programs and Supports Component/ Somme pondérée par élève au titre du volet programmes et soutiens \$	Weighted Per-Pupil Amount for Professional Staff Support Component/ Somme pondérée par élève au titre du volet soutien professionnel \$	Priority Urban Secondary Schools Component/ Somme liée au volet écoles secondaires urbaines et prioritaires \$
1.	Algoma District School Board	3.70	1.69	0
2.	Algonquin and Lakeshore Catholic District School Board	2.55	1.16	0
3.	Avon Maitland District School Board	1.66	0.75	0
4.	Bluewater District School Board	2.04	0.93	0
5.	Brant Haldimand Norfolk Catholic District School Board	2.32	1.06	0
6.	Bruce-Grey Catholic District School Board	1.94	0.88	0
7.	Catholic District School Board of Eastern Ontario	2.47	1.13	0
8.	Conseil des écoles publiques de l'Est de l'Ontario	2.45	1.12	0
9.	Conseil scolaire de district catholique Centre-Sud	2.37	1.08	0
10.	Conseil scolaire de district catholique de l'Est ontarien	2.33	1.06	0
11.	Conseil scolaire de district catholique des Aurores boréales	3.60	1.64	0
12.	Conseil scolaire de district catholique des Grandes Rivières	2.82	1.29	0
13.	Conseil scolaire de district catholique du Centre-Est de l'Ontario	2.39	1.09	200,000
14.	Conseil scolaire de district catholique du Nouvel-Ontario	3.04	1.39	0
15.	Conseil scolaire de district catholique Franco-Nord	3.37	1.54	0
16.	Conseil scolaire de district des écoles catholiques du Sud-Ouest	2.19	1.00	0
17.	Conseil scolaire de district du Centre Sud-Ouest	2.83	1.29	0
18.	Conseil scolaire de district du Grand Nord de l'Ontario	3.02	1.38	0
19.	Conseil scolaire de district du Nord-Est de l'Ontario	3.09	1.41	0
20.	District School Board of Niagara	2.11	0.96	0
21.	District School Board Ontario North East	3.07	1.40	0
22.	Dufferin-Peel Catholic District School Board	2.20	1.01	651,000
23.	Durham Catholic District School Board	1.71	0.78	0
24.	Durham District School Board	1.79	0.81	0
25.	Grand Erie District School Board	2.20	1.00	00
26.	Greater Essex County District School Board	2.54	1.16	250,000
27.	Halton Catholic District School Board	1.41	0.64	0
28.	Halton District School Board	1.42	0.65	0
29.	Hamilton-Wentworth Catholic District School Board	2.56	1.17	0
30.	Hamilton-Wentworth District School Board	2.56	1.17	608,300
31.	Hastings and Prince Edward District School Board	2.62	1.19	0
32.	Huron Perth Catholic District School Board	1.71	0.78	0
33.	Huron-Superior Catholic District School Board	3.46	1.58	0
34.	Kawartha Pine Ridge District School Board	1.98	0.90	0
35.	Keewatin-Patricia District School Board	4.52	2.06	0
36.	Kenora Catholic District School Board	4.82	2.20	0
37.	Lakehead District School Board	3.40	1.55	0
38.	Lambton Kent District School Board	2.06	0.94	0
39.	Limestone District School Board	2.41	1.10	0
40.	London District Catholic School Board	2.27	1.04	0
41.	Near North District School Board	3.09	1.41	0
42.	Niagara Catholic District School Board	2.21	1.01	0
43.	Nipissing-Parry Sound Catholic District School Board	3.13	1.43	0
44.	Northeastern Catholic District School Board	3.21	1.46	0
45.	Northwest Catholic District School Board	5.16	2.35	0
46.	Ottawa-Carleton District School Board	2.35	1.07	649,000
47.	Ottawa Catholic District School Board	2.35	1.07	350,640

48.	Peel District School Board	2.19	1.00	1,470,000
49.	Peterborough Victoria Northumberland and Clarington Catholic District School Board	2.01	0.91	0
50.	Rainbow District School Board	3.32	1.52	0
51.	Rainy River District School Board	4.47	2.04	0
52.	Renfrew County Catholic District School Board	2.92	1.33	0
53.	Renfrew County District School Board	2.63	1.20	0
54.	Simcoe County District School Board	2.10	0.96	0
55.	Simcoe Muskoka Catholic District School Board	2.19	1.00	0
56.	St. Clair Catholic District School Board	2.11	0.96	0
57.	Sudbury Catholic District School Board	2.90	1.32	0
58.	Superior-Greenstone District School Board	2.99	1.36	0
59.	Superior North Catholic District School Board	3.45	1.57	0
60.	Thames Valley District School Board	2.18	0.99	783,320
61.	Thunder Bay Catholic District School Board	3.56	1.62	0
62.	Toronto Catholic District School Board	3.31	1.51	1,038,264
63.	Toronto District School Board	3.31	1.51	3,530,859
64.	Trillium Lakelands District School Board	2.12	0.97	0
65.	Upper Canada District School Board	2.43	1.11	0
66.	Upper Grand District School Board	1.72	0.78	0
67.	Waterloo Catholic District School Board	2.16	0.98	0
68.	Waterloo Region District School Board	2.07	0.94	218,617
69.	Wellington Catholic District School Board	1.82	0.83	0
70.	Windsor-Essex Catholic District School Board	2.51	1.14	250,000
71.	York Catholic District School Board	1.68	0.76	0
72.	York Region District School Board	1.81	0.83	0